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Attorneys for the United States of America

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

INTERNATIONAL PALLETS INC.,
INTERNATION WOOD PALLETS INC.,
CORTEZ ESTATE LLC, HERNAN CORTEZ,
CITY OF MODESTO, and TAX COLLECTOR
OF STANISLAUS COUNTY,

Defendants.

Case No. 1:21-cv-01415-NONE-EPG

~~XXXXXX~~ Amended Consent Judgment

Plaintiff United States of America and Defendants Hernan Cortez, International Pallets Inc., International Wood Pallets Inc., Cortez Estate LLC, City of Modesto, and Tax Collector of Stanislaus County, stipulate to judgment on the United States' Complaint as follows:

1. All parties consent to the jurisdiction of the United States Magistrate Judge under 28 U.S.C. § 636(c)(1).

2. The Court shall enter judgment in favor of the United States and against International Pallets Inc. and International Wood Pallets Inc., jointly and severally, in the amount of \$533,375.99 as of September 10, 2021, for unpaid federal employment taxes, interest, and penalties for tax periods ending 12/31/2014, 03/31/2015, 06/30/2015, 09/30/2015, 06/30/2016, 09/30/2016, 12/31/2016, 03/31/2017, 06/30/2017, 09/30/2017, 03/31/2018, and 06/30/2018, and federal unemployment taxes, interest, and penalties for tax years 2015–2018. Interest shall accrue on the judgment pursuant to 28 U.S.C. § 1961(c)(1) until paid.

3. The United States' tax liens against International Pallets Inc. and Cortez Estate LLC, as the alter ego of International Pallets Inc., encumber the subject property located at 1737 Reliance Street, Modesto, CA 95358, parcel number 086-012-055-000. Although that property is titled in the name of Defendant Cortez Estate LLC, the LLC holds title as the nominee and alter ego of International Pallets Inc. and International Wood Pallets Inc., which retain an equitable ownership interest in the property.

4. Consequently, the federal tax liens on the property may be foreclosed, and the property may be sold to satisfy, in whole or in part, this judgment.

5. The proceeds from the sale of the property shall be distributed in the following order:

a. First, to Defendant Tax Collector of Stanislaus County to satisfy outstanding municipal liens on the property;

b. Second, to the City of Modesto, to satisfy outstanding municipal liens on the property;

c. Third, to the United States, to satisfy this judgment; and

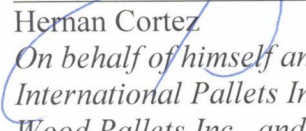
d. Fourth, any surplus to Defendant Hernan Cortez.

Dated:

Erica Grosjean
United States Magistrate Judge

DAVID HUBBERT
Deputy Assistant Attorney General

/s/ Matthew P. Uhalde
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MATTHEW P. UHALDE
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Herman Cortez
*On behalf of himself and Defendants
International Pallets Inc., International
Wood Pallets Inc., and Cortez Estate LLC*

/s/ Dan Farrar
Dan Farrar
*Attorney for Defendant Tax Collector of
Stanislaus County*

/s/ David Mehretu
David Mehretu
Attorney for Defendant City of Modesto